

Listing Code: No. 4063 (URL: <https://www.shinetsu.co.jp/en/>)

Listing Stock Exchange: Tokyo and Nagoya

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Date of the filing of semi-annual securities report: November 13, 2025

Date of dividend payment: November 18, 2025

Preparation of supplemental explanatory materials: Yes ("Appendix" is attached.)

Holding of quarterly financial results meeting: Yes (for investment analysts and institutional investors)

Amounts are stated in millions of yen by discarding fractional amounts less than 1 million.

Percentage figures indicate increase (decrease) over previous corresponding period.

1. Consolidated Operating Performance for the First Half Ended September 30, 2025

(From April 1, 2025 to September 30, 2025)

(1) Results of consolidated operations

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
April - September 2025	1,284,522	1.4%	333,935	(17.7%)	367,339	(17.1%)	257,844	(12.3%)
April - September 2024	1,266,460	5.9%	405,703	6.2%	442,924	3.6%	294,117	(2.4%)

(Note) Comprehensive income (Millions of yen) From April 1, 2025 to September 30, 2025: 78,788 [(88.2 %)]
From April 1, 2024 to September 30, 2024: 665,010 [21.9 %]

	Net income per share (yen)	Diluted net income per share (yen)
April - September 2025	136.61	136.56
April - September 2024	147.83	147.68

(2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Stockholders' equity ratio	Net assets per share (yen)
September 30, 2025	5,356,717	4,381,431	78.7%	2,251.21
March 31, 2025	5,636,601	4,837,585	82.6%	2,375.48

(Reference) Stockholders' equity (Millions of yen) As of September 30, 2025: 4,216,794 As of March 31, 2025: 4,656,236

2. Cash Dividends

	Cash dividends per share in the fiscal year (yen)				
	1 st quarter	2 nd quarter	3 rd quarter	Year-end	Fiscal year
April 2024 - March 2025	-	53.00	-	53.00	106.00
April 2025 - March 2026	-	53.00			
April 2025 - March 2026 (forecast)			-	53.00	106.00

(Note) Revision of the latest forecast of cash dividends: No

3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2026

(From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share (yen)
Fiscal year	2,400,000	(6.3%)	635,000	(14.4%)	700,000	(14.7%)	470,000	(12.0%)	250.00

(Note) Revision of the latest forecast of consolidated operating performance: No

Forward-looking statements such as the forecast of results of operations made in this document involves risks and uncertainties since they are based on management's assumptions and beliefs in light of the information currently available to it. The reader should be aware that actual results may be materially different from any future results expressed herein due to various factors. Material factors affecting the actual results may include overall economic conditions in which the businesses of our company and our group companies are involved, the relevant market trends and fluctuations in foreign exchange rates of the yen, in particular, the exchange rate between the U.S. dollar and the yen; provided, however, that such factors as may affect results of operations are not limited to those enumerated above.

(Notes)

(1) Significant changes in scope of consolidation during the first half ended September 30, 2025: No

(2) Adoption of special accounting methods for presenting consolidated financial statements: No

(3) Changes in accounting policies applied, changes in accounting estimates and retrospective restatement

Changes in accounting policies applied due to revisions of accounting standards: No

Changes in accounting policies other than the above: No

Changes in accounting estimates: No

Retrospective restatement: No

(4) Number of shares outstanding (common stock)

	September 30, 2025	March 31, 2025
Number of shares issued at period end (including treasury stock)	1,984,995,865	1,984,995,865
Number of shares of treasury stock at period end	111,875,422	24,869,464
	April - September 2025	April - September 2024
Weighted-average number of shares outstanding over period	1,887,444,198	1,989,589,274

(Note) A resolution was made at the Board of Directors Meeting held on April 25, 2025 concerning the repurchase of up to 200 million shares (500 billion yen) by April 24, 2026, and we have repurchased a total of 87,393,400 shares (399,999 million yen) as of May 2025.

(Information regarding audit procedures)

The financial information contained in this report is not subject to audit procedures by independent auditors.

The review report will be attached to the semi-annual securities report scheduled to be submitted on November 13, 2025.

(Attached Documents)

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1. Results of Operations and Financial Overview

(1) Quarterly Results of Operations Overview

During the first half of the fiscal year ending March 31, 2026 (April 1, 2025 to September 30, 2025), the global economy and industries have been tossed about by the various policies taken by the U.S. under its America First agenda since April this year, but as indicated in the IMF's World Economic Outlook released last week, they somehow managed to weather the storm. However, the new export controls announced by the Chinese government earlier this month have moved the challenge to an unprecedented dimension, as reflected in the reaction of the U.S. government, and we must closely monitor the developments.

Under these circumstances, we have maintained close communication with our customers, continued to provide a reliable supply of products with required quality, and conducted sales with agility. As a result, the progress rate toward the forecast announced in July was 53% for operating income and 55% for net income. We will focus even more on business growth and improved operating performance. To that end, we will accelerate the development of products that are valuable to our customers and actively continue capital investments with a medium- to long-term perspective in order to meet the needs and demands of the customers and markets in a timely manner.

The business results for the first half of the fiscal year ending March 31, 2026, are as follows:

(Billions of yen)					
	2024 Apr - Sep	2025 Apr - Sep	Increase (Decrease)	2025	
				Apr - Jun	Jul - Sep
Net sales	1,266.4	1,284.5	1% 18.1	628.5	655.9
Operating income	405.7	333.9	(18%) (71.8)	166.8	167.1
Ordinary income	442.9	367.3	(17%) (75.6)	181.6	185.7
Net income attributable to owners of parent	294.1	257.8	(12%) (36.3)	126.4	131.4

Ratio of operating income to net sales	32.0%	26.0%	(6 points)
Ratio of net income attributable to owners of parent to net sales	23.2%	20.1%	(3 points)
ROIC (annualized)	19.9%	15.9%	(4 points)
ROE (annualized)	13.1%	11.6%	(2 points)
Per Share (Yen)			
Net Income	148	137	(11)
Cash Dividends	53	53	—

Notes: • ROIC: Return on invested capital

Net operating income after tax / (Net assets + Interest-bearing liabilities — Cash)

• ROE: Return (net income attributable to owners of parent) on equity

Equity used for this calculation is net assets excluding both share subscription rights and non-controlling interests in consolidated subsidiaries.

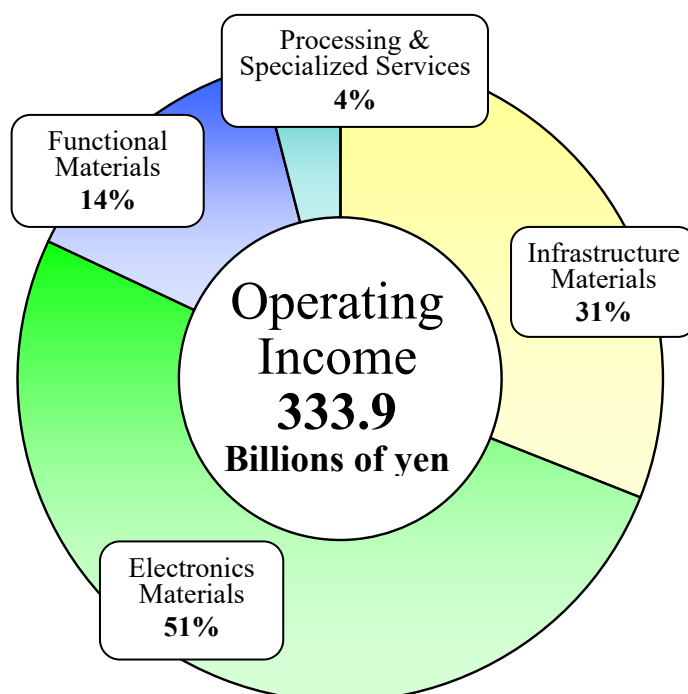
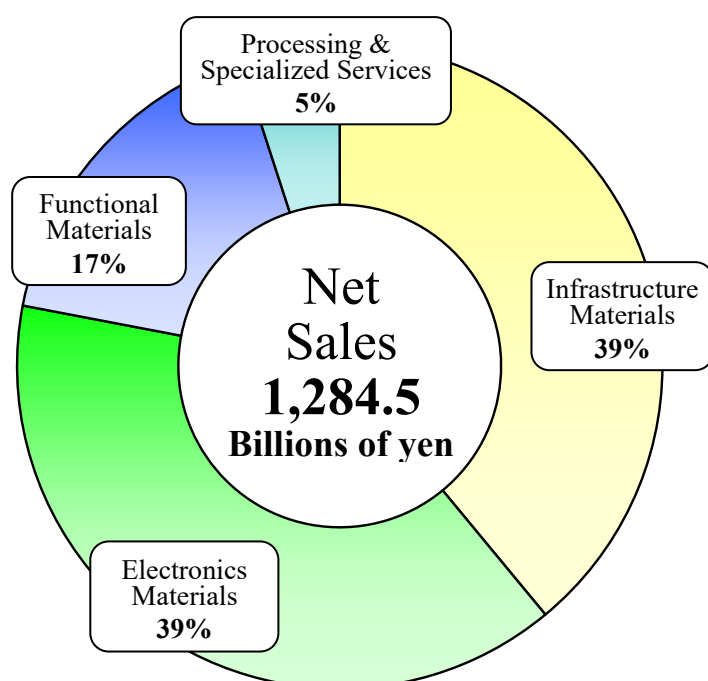
• ROIC, ROE (annualized) are calculated by doubling first-half net operating income after tax and net income attributable to owners of parent, respectively.

► Amounts are stated in billions of yen by discarding fractional amounts less than 0.1 billion on this summary.

Net Sales and Operating Income by Segment

(Billions of yen)

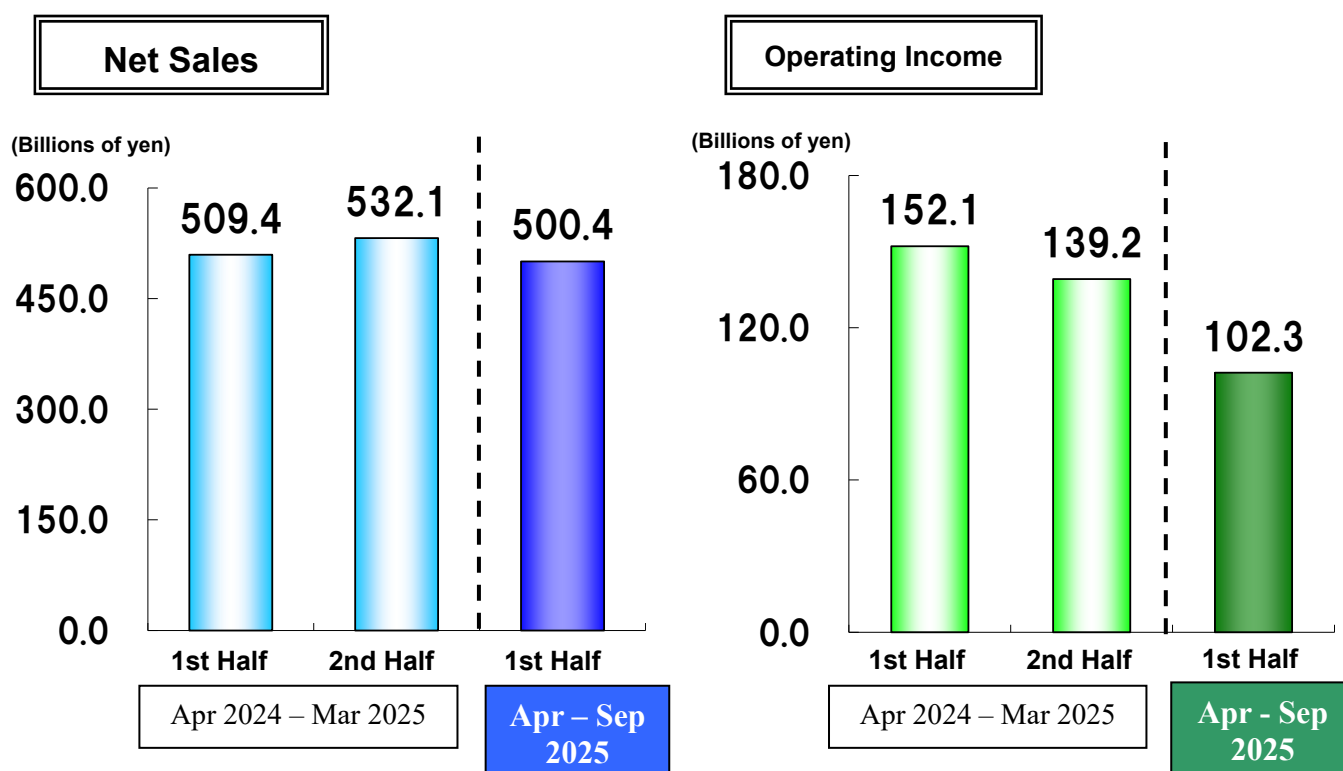
	Net Sales			Operating Income		
	2024 Apr - Sep	2025 Apr - Sep	Increase (Decrease)	2024 Apr - Sep	2025 Apr - Sep	Increase (Decrease)
Infrastructure Materials	509.4	500.4	(2%) (9.0)	152.1	102.3	(33%) (49.8)
Electronics Materials	464.4	496.3	7% 31.9	186.7	170.6	(9%) (16.1)
Functional Materials	226.0	220.6	(2%) (5.4)	53.8	48.1	(10%) (5.7)
Processing & Specialized Services	66.5	67.1	1% 0.6	14.9	13.6	(8%) (1.3)
Total	1,266.4	1,284.5	1% 18.1	405.7	333.9	(18%) (71.8)



Infrastructure Materials

	Apr - Sep 2024 (Billions of yen)	Apr - Sep 2025 (Billions of yen)	Increase / (Decrease)
Net sales	509.4	500.4	(2%)
Operating income	152.1	102.3	(33%)

As for PVC, the demand in North America was strong from the beginning of the year through mid-year, but the market has softened since then. Although prices have been sluggish in Asian and other overseas markets, we have utilized our extensive sales network to make the best sales possible. As for caustic soda, both the price and quantity have generally secured stable sales. There have been reports that the Chinese government is concerned about oversupply, and we will closely monitor the situation.

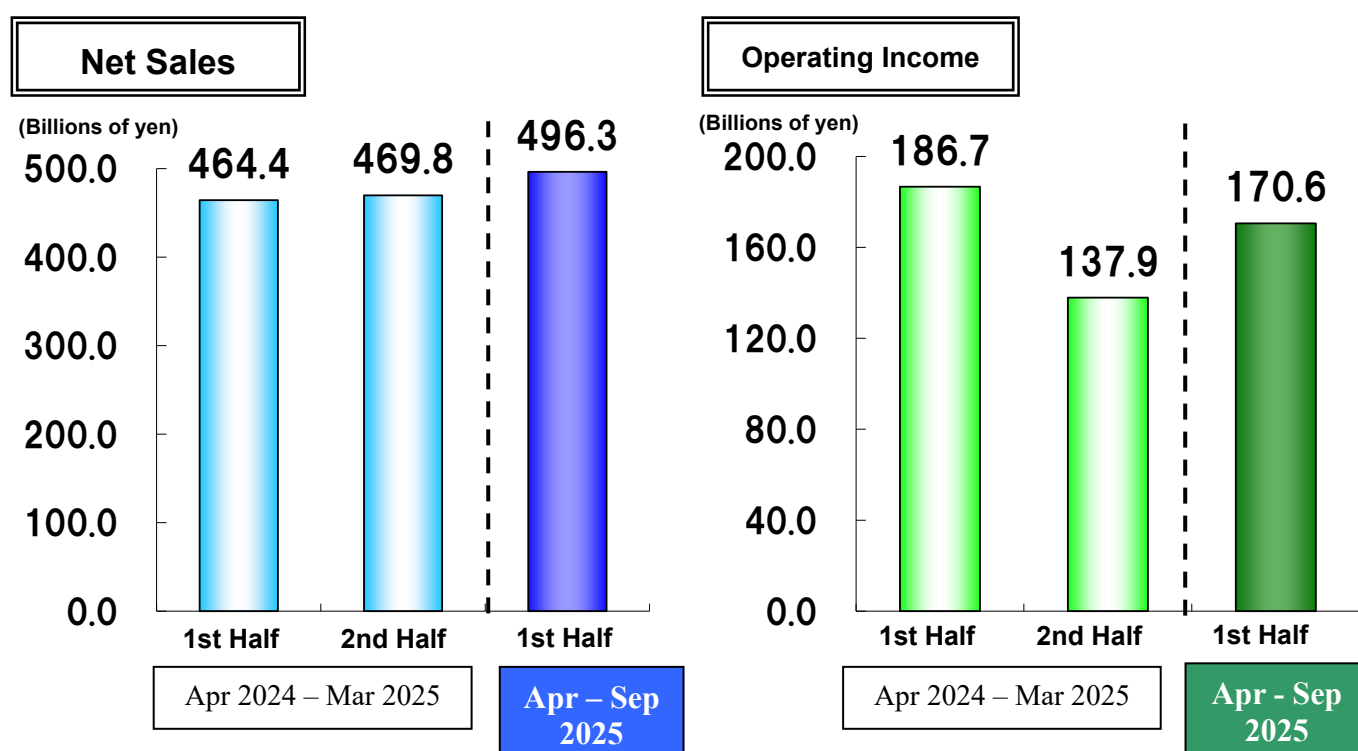


- Upward price adjustments.
- Full production and full sales that are well managed and controlled.
- Responding to the recovery of housing investment.

Electronics Materials

	Apr - Sep 2024 (Billions of yen)	Apr - Sep 2025 (Billions of yen)	Increase / (Decrease)
Net sales	464.4	496.3	7%
Operating income	186.7	170.6	(9%)

In the semiconductor market, the demand related to AI continued to be strong, while other sectors remained lackluster. Under these circumstances, we have focused on shipping semiconductor materials such as silicon wafer, photoresist and photomask blanks to the markets with strong growth. As for rare earth magnets, while we met the strong demand of Hard Disk Drive, we focused on our responses to China's export restrictions, which were triggered by the U.S. tariff policy.

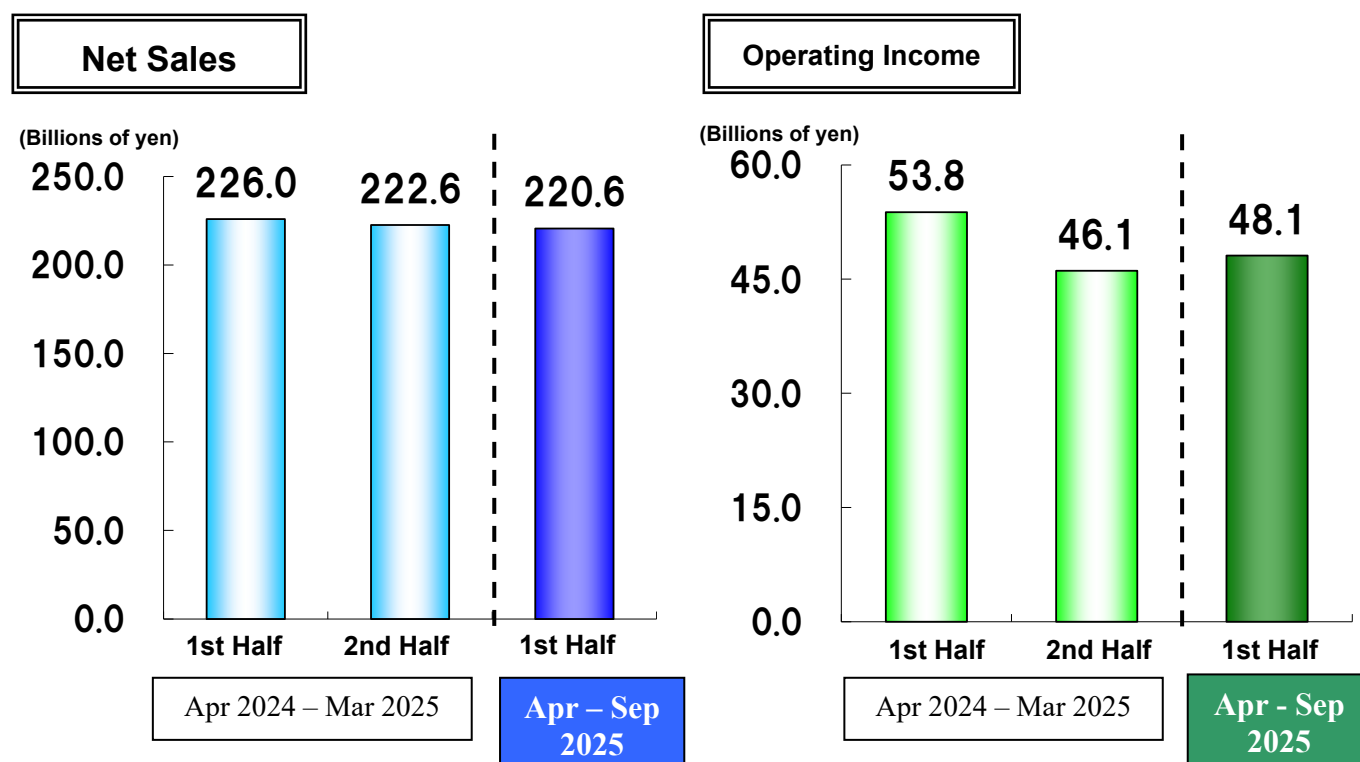


- Providing materials and technologies essential to the semiconductor market, which is sure to see rapid growth in the three aspects of quantity, quality, and variety.
- Promoting the construction of a new production base focusing on photoresist in Iesaki City, Gunma Prefecture, Japan (Currently proceeding as planned).
- Expansion of new functions as a diversified electronics materials manufacturer.

Functional Materials

	Apr - Sep 2024 (Billions of yen)	Apr - Sep 2025 (Billions of yen)	Increase / (Decrease)
Net sales	226.0	220.6	(2%)
Operating income	53.8	48.1	(10%)

The recovery of the market condition for the commodity product did not materialize yet, and we continued to make up for the shortfall in sales by focusing on expanding the selling of highly functional product groups.

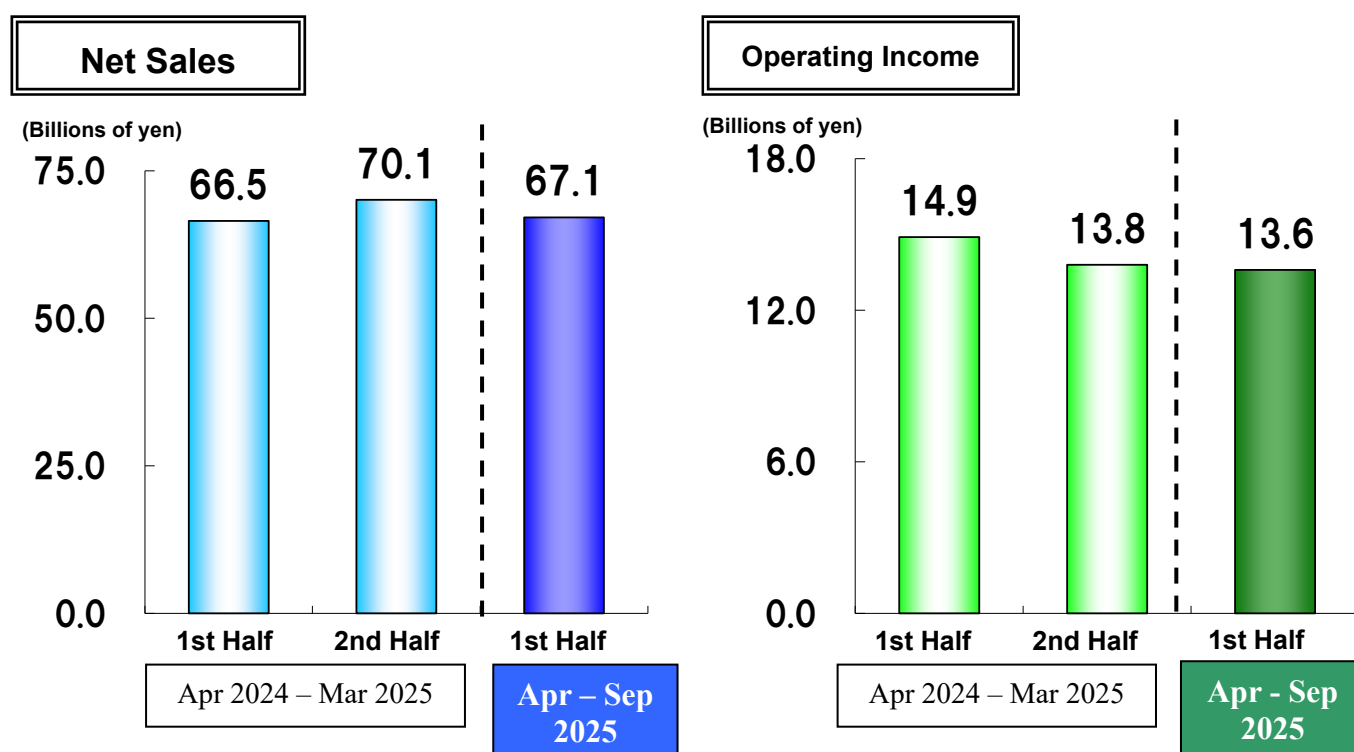


- Providing solutions utilizing silicones (Shin-Etsu Silicones Solution-Engineering). (e.g., a substitute for PFAS).
- Expansion of cellulose derivatives products for pharmaceuticals application.

Processing & Specialized Services

	Apr - Sep 2024 (Billions of yen)	Apr - Sep 2025 (Billions of yen)	Increase / (Decrease)
Net sales	66.5	67.1	1%
Operating income	14.9	13.6	(8%)

The demand for semiconductor-related containers remained strong for both semiconductor wafer shipping applications and in-process semiconductor applications. In the automotive-related products, there was a new demand increased for silicone molded products such as Silicone Light Guides and wipers.



- Increased the sales of semiconductor wafer-related containers and promoted the development and market penetration of eco-friendly vehicle-related products.

(2) Explanation Regarding Information Relevant to Forecasts such as Consolidated Business Forecast

The business forecast for this fiscal year depends on various variable factors, but we will maintain the earning forecast announced in July. We strive to grow our business performance.

(Billions of yen)

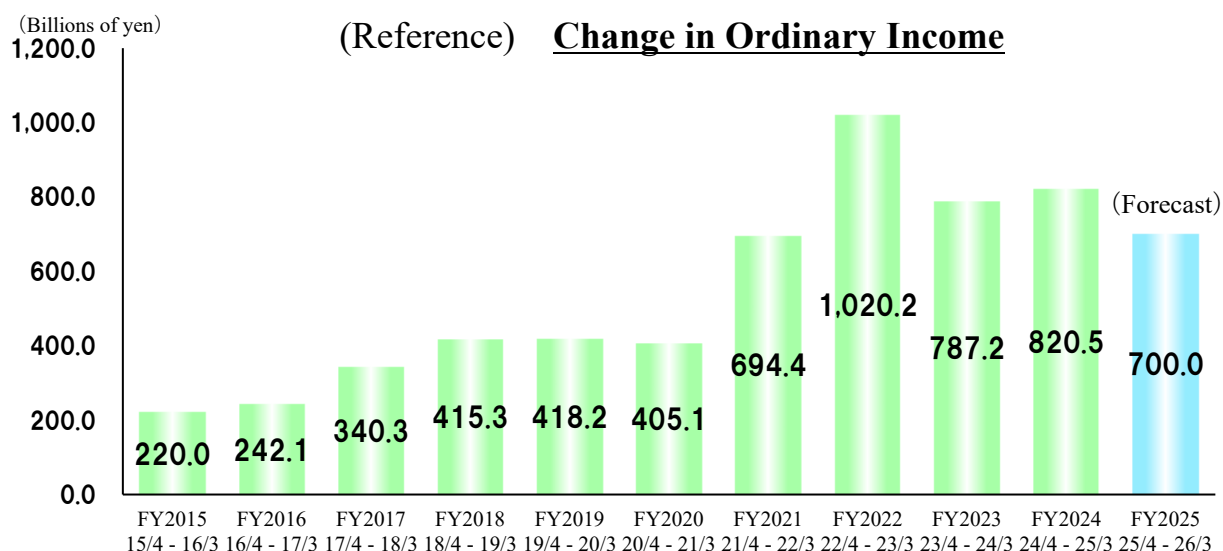
	FY 2024 24/4 - 25/3 Actual	FY 2025 25/4 - 26/3 Forecast	Increase (Decrease)
Net sales	2,561.2	2,400.0	(6%)
Operating income	742.1	635.0	(14%)
Ordinary income	820.5	700.0	(15%)
Net income attributable to owners of parent	534.0	470.0	(12%)
Net income per share (Yen)	270	250	(7%)

Ratio of operating income to net sales	29.0%	26.5%	(3 points)
Ratio of net income attributable to owners of parent to net sales	20.9%	19.6%	(1 point)

Cash Dividends per Share (Yen)	106	106	—
DOE	4.7%	4.6%	0 point
Dividend payout ratio	39.3%	42.4%	3 points

(Note) Forward-looking statements such as the forecast of results of operations made in this document are as described on the cover page under [3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2026].

The year-end dividend for the fiscal year ending March 31, 2026 is expected to be ¥53 per share as was announced in July 2025 as well, the same amount as the interim dividend. As a result, the dividend on an annual basis will be ¥106 per share, the same amount as the previous fiscal year.



2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of March 31 and September 30, 2025

	Millions of yen	
	March 31, 2025	September 30, 2025
ASSETS		
Current Assets:		
Cash and deposits	1,708,438	1,494,104
Notes, accounts receivable-trade and contract assets	514,702	559,584
Securities	103,240	49,869
Inventories	769,967	736,326
Other	123,243	94,554
Less: Allowance for doubtful accounts	(9,941)	(11,342)
Total current assets	3,209,652	2,923,096
Fixed Assets:		
Property, plant and equipment:		
Machinery and equipment, net	1,081,151	1,002,930
Other, net	984,793	1,058,503
Total property, plant and equipment	2,065,945	2,061,434
Intangible assets	36,908	36,122
Investments and other assets:		
Investments and other assets	329,324	341,305
Less: Allowance for doubtful accounts	(5,228)	(5,240)
Total investments and other assets	324,095	336,065
Total fixed assets	2,426,949	2,433,621
TOTAL ASSETS	5,636,601	5,356,717

	Millions of yen	
	March 31, 2025	September 30, 2025
LIABILITIES		
Current Liabilities:		
Notes and accounts payable-trade	184,369	172,012
Short-term borrowings	9,389	7,642
Accrued income taxes	84,604	77,028
Provisions	6,475	6,311
Other	252,254	232,665
Total current liabilities	537,094	495,661
Long-term Liabilities:		
Long-term borrowings	7,452	236,273
Net defined benefit liability	33,172	34,000
Other	221,296	209,350
Total long-term liabilities	261,922	479,624
TOTAL LIABILITIES	799,016	975,286
NET ASSETS		
Stockholders' Equity:		
Common stock	119,419	119,419
Additional paid-in capital	125,694	125,697
Retained earnings	3,755,274	3,908,589
Less: Treasury stock, at cost	(121,025)	(519,219)
Total stockholders' equity	3,879,362	3,634,487
Accumulated Other Comprehensive Income:		
Unrealized gains (losses) on available-for-sale securities	32,481	32,710
Deferred gains (losses) on hedges	777	(341)
Foreign currency translation adjustments	734,201	542,883
Remeasurements of defined benefit plans	9,412	7,055
Total accumulated other comprehensive income	776,873	582,307
Share subscription rights	6,237	8,182
Non-controlling interests in consolidated subsidiaries	175,112	156,455
TOTAL NET ASSETS	4,837,585	4,381,431
TOTAL LIABILITIES AND NET ASSETS	5,636,601	5,356,717

(2) Consolidated Statements of Income and Statements of Comprehensive Income

Consolidated Statements of Income

For the first half ended September 30, 2024 and 2025

	Millions of yen	
	April 1, 2024 - September 30, 2024	April 1, 2025 - September 30, 2025
Net sales	1,266,460	1,284,522
Cost of sales	747,481	828,780
Gross profit	518,978	455,742
Selling, general and administrative expenses	113,274	121,806
Operating income	405,703	333,935
Non-operating income:		
Interest income	44,542	31,968
Other income	7,227	8,221
Total non-operating income	51,770	40,189
Non-operating expenses:		
Interest expenses	627	1,402
Foreign exchange losses	9,439	2,721
Other expenses	4,482	2,662
Total non-operating expenses	14,549	6,786
Ordinary income	442,924	367,339
Extraordinary income:		
Gain on sale of investment securities	1,909	9,665
Gain on step acquisitions	5,421	-
Total extraordinary income	7,331	9,665
Income before income taxes and non-controlling interests	450,255	377,005
Income taxes:		
Current	116,529	105,499
Deferred	15,478	(2,900)
Total income taxes	132,008	102,598
Net income	318,247	274,406
Net income attributable to non-controlling interests	24,130	16,562
Net income attributable to owners of parent	294,117	257,844

Consolidated Statements of Comprehensive Income

For the first half ended September 30, 2024 and 2025

	Millions of yen	
	April 1, 2024 - September 30, 2024	April 1, 2025 - September 30, 2025
Net income	318,247	274,406
Other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	(3,647)	243
Deferred gains (losses) on hedges	1,681	(1,119)
Foreign currency translation adjustments	348,920	(192,606)
Remeasurements of defined benefit plans	(870)	(2,362)
Share of other comprehensive income of affiliates accounted for using the equity method	677	226
Total other comprehensive income	346,762	(195,618)
Comprehensive income	665,010	78,788
(Breakdown)		
Comprehensive income attributable to owners of parent	636,743	63,277
Comprehensive income attributable to non-controlling interests	28,266	15,510

(3) Consolidated Statements of Cash Flows

For the first half ended September 30, 2024 and 2025

	Millions of yen	
	April 1, 2024 - September 30, 2024	April 1, 2025 - September 30, 2025
Cash flows from operating activities:		
Income before income taxes and non-controlling interests	450,255	377,005
Depreciation and amortization	108,421	116,312
Loss (gain) on sale of investment securities	(1,909)	(9,665)
Interest and dividend income	(46,591)	(34,290)
Exchange (gains) losses	22,460	(3,277)
(Increase) decrease in accounts receivable	(4,657)	(57,672)
(Increase) decrease in inventories	32,051	15,642
Increase (decrease) in accounts payable	(24,754)	(8,012)
Other, net	(29,429)	25,026
Subtotal	505,846	421,068
Proceeds from interest and dividends	45,339	38,786
Payments of interest	(538)	(592)
Payments of income taxes	(98,757)	(112,194)
Net cash provided by operating activities	451,889	347,066
Cash flows from investing activities:		
Net (increase) decrease in time deposits	61,726	(79,334)
Net (increase) decrease in marketable securities	-	(6,355)
Purchases of investments in securities	(4,746)	(1,742)
Proceeds from sales and redemption of investments in securities	3,162	14,953
Purchases of property, plant and equipment	(257,851)	(213,920)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(33,411)	-
Other, net	(4,114)	(14,302)
Net cash provided by (used for) investing activities	(235,235)	(300,701)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	501	(864)
Proceeds from long-term borrowings	456	230,010
Repayments of long-term borrowings	(6,730)	(1,343)
Purchases of treasury stock	(100,003)	(400,002)
Cash dividends paid	(99,802)	(103,886)
Other, net	(24,714)	(27,231)
Net cash used for financing activities	(230,293)	(303,317)
Effect of exchange rate changes on cash and cash equivalents	27,577	(5,662)
Net increase (decrease) in cash and cash equivalents	13,937	(262,614)
Cash and cash equivalents at beginning of period	590,135	882,736
Cash and cash equivalents at end of period	604,073	620,121

(4) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable

(Notes on Significant Changes in Stockholders' Equity)

Not applicable

(Appendix)

1. Quarterly Operating Results

(Billions of yen)

	FY 2024 April 1, 2024 - March 31, 2025					FY 2025 April 1, 2025 - March 31, 2026		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	Total
Net Sales	597.9	668.5	663.2	631.5	2,561.2	628.5	655.9	1,284.5
Infrastructure Materials	232.5	276.8	268.1	263.9	1,041.5	244.4	256.0	500.4
Electronics Materials	227.0	237.4	244.6	225.1	934.3	240.2	256.0	496.3
Functional Materials	106.7	119.3	115.3	107.2	448.6	110.0	110.6	220.6
Processing & Specialized Services	31.6	34.8	35.0	35.1	136.7	33.9	33.2	67.1
Operating Income	191.0	214.6	178.7	157.6	742.1	166.8	167.1	333.9
Infrastructure Materials	67.9	84.2	74.1	65.1	291.4	52.8	49.5	102.3
Electronics Materials	89.5	97.2	73.7	64.2	324.7	83.1	87.5	170.6
Functional Materials	26.7	27.0	24.4	21.7	100.0	24.0	24.1	48.1
Processing & Specialized Services	7.0	7.9	6.7	7.1	28.7	7.1	6.5	13.6
Ordinary Income	219.8	223.1	201.3	176.3	820.5	181.6	185.7	367.3
Net Income Attributable to Owners of Parent	144.0	150.0	138.4	101.4	534.0	126.4	131.4	257.8
R&D Costs	16.9	16.8	17.7	21.6	73.1	18.2	19.0	37.2
Overseas Sales	469.8	536.2	527.6	505.0	2,038.8	490.3	518.2	1,008.6
Ratio of Overseas Sales to Net Sales	79%	80%	80%	80%	80%	78%	79%	79%

2. Capital Expenditures and Depreciation and Amortization (Including intangible assets)

(Billions of yen)

	FY 2024 April 1, 2024 - March 31, 2025					FY 2025 April 1, 2025 - March 31, 2026		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	Total
Capital Expenditures	115.5	137.5	103.4	78.0	434.5	66.1	138.4	204.5
Infrastructure Materials	40.9	31.3	26.0	15.6	114.0	18.0	18.5	36.5
Electronics Materials	55.4	89.3	63.2	37.3	245.5	33.5	105.2	138.8
Functional Materials	13.5	15.9	13.1	23.1	65.8	12.4	13.6	26.1
Processing & Specialized Services	6.2	2.3	1.5	2.4	12.6	2.6	1.7	4.3
Depreciation and Amortization	52.0	56.4	63.9	65.9	238.3	57.3	58.9	116.3
Infrastructure Materials	18.9	19.7	20.2	22.9	81.8	21.0	20.5	41.6
Electronics Materials	22.2	26.7	31.8	29.9	110.8	25.6	27.4	53.1
Functional Materials	9.5	8.8	10.3	11.5	40.1	9.0	9.3	18.3
Processing & Specialized Services	1.4	1.4	1.9	1.9	6.8	1.8	2.0	3.8

Annual

(Billions of yen)

	Apr 2025 - Mar 2026 Forecast
Investments	370.0
Depreciation and Amortization	240.0

3. Other Financial Items (Consolidated)

(Billions of yen)

	Sep 30 2024	Sep 30 2025	Mar 31 2025
Net Assets	4,886.1	4,381.4	4,837.5
Total Assets	5,636.0	5,356.7	5,636.6
Net Assets per Share (Yen)	2,372	2,251	2,375
Interest-bearing Liabilities	19.8	243.9	16.8
Number of Employees	27,137	27,234	27,274
Exchange Rate: Jan - Jun (Avg)	152.2	148.6	
(Yen/US\$) Apr - Sep (Avg)	152.6	146.0	

Note : An average exchange rate between January and June was used for the Consolidated Income Statements of overseas subsidiaries.

4. Comparative Balance Sheets (Consolidated)

(Billions of yen)

	Mar 31 2025	Sep 30 2025	Increase (Decrease) [a]	Effect of exchange rate [b] *	[a]-[b]		Mar 31 2025	Sep 30 2025	Increase (Decrease) [a]	Effect of exchange rate [b] *	[a]-[b]
Current Assets	3,209.6	2,923.0	(286.6)	(135.9)	(150.7)	Current Liabilities	537.0	495.6	(41.4)	(13.2)	(28.2)
Cash and time deposits	1,708.4	1,494.1	(214.3)	(104.0)	(110.3)	Notes and accounts payable-trade	184.3	172.0	(12.3)	(4.3)	(8.0)
Notes and accounts receivable-trade	514.7	559.5	44.8	(12.8)	57.6	Other	352.7	323.6	(29.1)	(8.9)	(20.2)
Securities	103.2	49.8	(53.4)	(0.1)	(53.3)	Long-term Liabilities	261.9	479.6	217.7	(13.9)	231.6
Inventories	769.9	736.3	(33.6)	(17.2)	(16.4)	Long-term borrowings	7.4	236.2	228.8	(0.1)	228.9
Other	113.3	83.2	(30.1)	(1.8)	(28.3)	Other	254.4	243.3	(11.1)	(13.8)	2.7
						Total Liabilities	799.0	975.2	176.2	(27.1)	203.3
Fixed Assets	2,426.9	2,433.6	6.7	(91.5)	98.2	Stockholders' Equity	3,879.3	3,634.4	(244.9)	0.0	(244.9)
Property, Plant and Equipment and Intangible Assets	2,102.8	2,097.5	(5.3)	(89.7)	84.4	Accumulated Other Comprehensive Income	776.8	582.3	(194.5)	(191.2)	(3.3)
Investments and Other Assets	324.0	336.0	12.0	(1.8)	13.8	Other	181.3	164.6	(16.7)	(9.1)	(7.6)
						Total Net Assets	4,837.5	4,381.4	(456.1)	(200.3)	(255.8)
Total Assets	5,636.6	5,356.7	(279.9)	(227.4)	(52.5)	Total Liabilities and Net Assets	5,636.6	5,356.7	(279.9)	(227.4)	(52.5)

* Effect of exchange rate

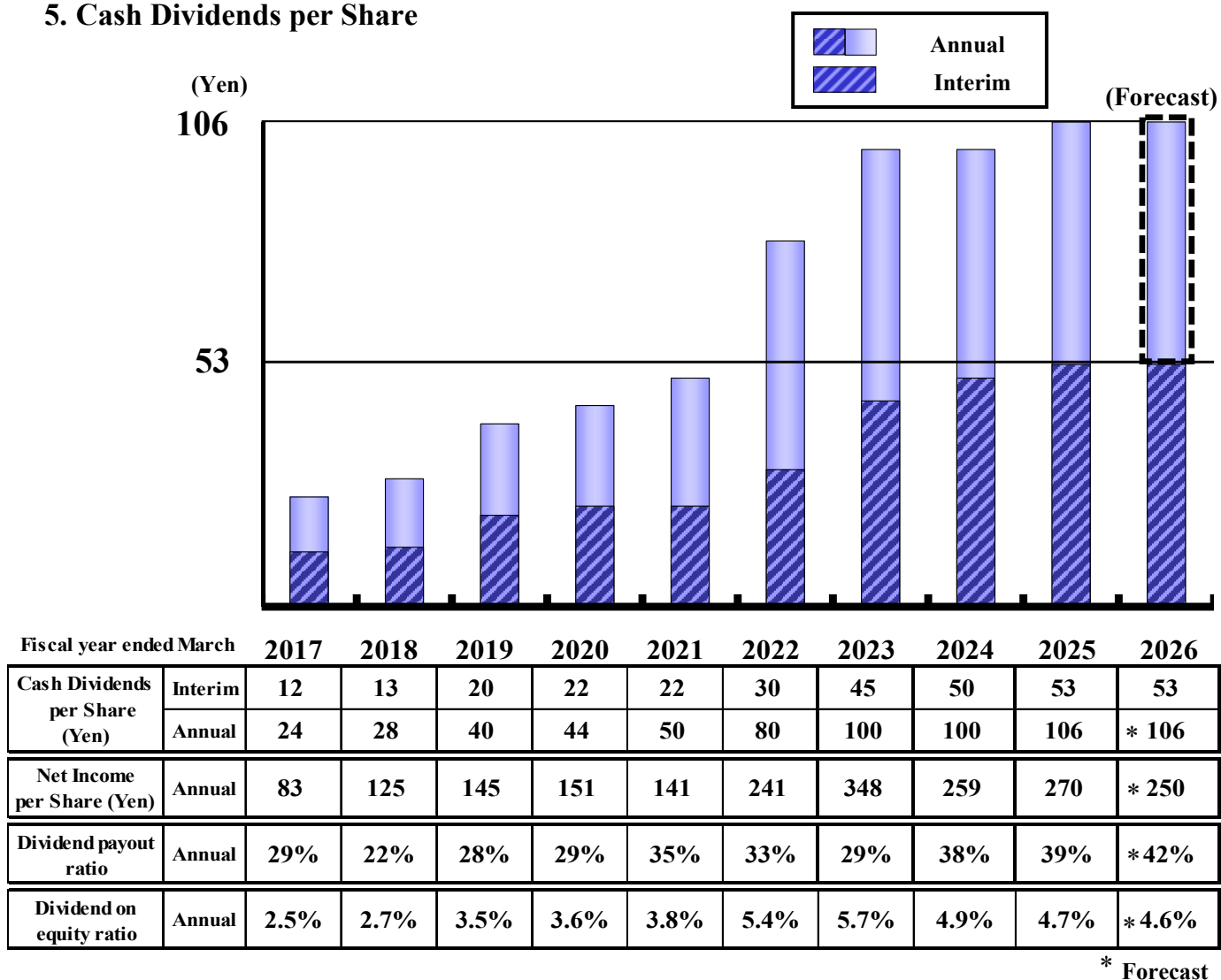
For conversion into Japanese yen of the balance sheets of overseas subsidiaries, the exchange rate at the end of December 2024 was used for the end of the fiscal year ended March 31, 2025 in accordance with the fiscal year end of such overseas subsidiaries.

The exchange rate at the end of June 2025 was used for the first half of the fiscal year ending March 31, 2026.

Exchange Rate at End of December 2024: 158.2yen/US\$

Exchange Rate at End of June 2025: 144.8yen/US\$

5. Cash Dividends per Share



6. Sales by Manufacturing Location for Each Segment

(Billions of yen)

		Infrastructure Materials	Electronics Materials	Functional Materials	Processing & Specialized Services	Total
2024 April - Sep	Goods Manufactured in Japan	56.2	380.1	141.7	49.3	627.5
	Goods Manufactured overseas	453.1	84.3	84.2	17.1	638.9
		509.4	464.4	226.0	66.5	1,266.4
2025 April - Sep	Goods Manufactured in Japan	59.3	408.0	143.5	50.3	661.2
	Goods Manufactured overseas	441.0	88.2	77.1	16.8	623.2
		500.4	496.3	220.6	67.1	1,284.5

7. Sales by Region

(Billions of yen)

		Japan	Overseas						Total Consolidated Net Sales
			U.S.	Asia/Oceania		Europe	Other Areas	Total	
					China				
First Half	Apr - Sep 2024	21%	32%	31%	9%	10%	6%	79%	1,266.4
		260.2	401.6	400.1	115.9	122.2	82.1	1,006.1	
Second Half	Oct 2024 - Mar 2025	20%	31%	33%	10%	9%	7%	80%	1,294.7
		262.1	394.9	435.3	123.8	114.2	88.1	1,032.6	
Fiscal Year ended March 2025		20%	31%	33%	9%	9%	7%	80%	2,561.2
		522.4	796.5	835.4	239.7	236.5	170.3	2,038.8	
First Half	Apr - Sep 2025	21%	28%	35%	10%	9%	7%	79%	1,284.5
		275.9	351.1	443.1	122.2	119.7	94.5	1,008.6	

Note: % indicates the proportion of total consolidated net sales.

8. Average Exchange Rate

		US\$ (yen/\$)					EUR (yen/€)				
		Quarterly	6 months		12 months		Quarterly	6 months		12 months	
			Jan-Jun	Apr-Sep	Jan-Dec	Apr-Mar		Jan-Jun	Apr-Sep	Jan-Dec	Apr-Mar
			Jul-Dec	Oct-Mar				Jul-Dec	Oct-Mar		
2024	Jan-Mar	148.6	152.2	152.6	151.6	152.6	161.3	164.6	165.9	163.9	163.7
	Apr-Jun	155.9					167.9				
	Jul-Sep	149.4	150.9	152.5	152.6	152.6	164.0	163.3	161.5	163.9	163.7
	Oct-Dec	152.4					162.6				
2025	Jan-Mar	152.6	148.6	146.0	152.6	152.6	160.5	162.2	161.5	163.9	163.7
	Apr-Jun	144.6					163.8				
	Jul-Sep	147.5	148.6	146.0	152.6	152.6	172.3	162.2	168.1	163.9	163.7

Note: An average exchange rate between January and June was used for the Consolidated Income Statements of overseas subsidiaries.

	US\$	EUR
Shin-Etsu's assumption for the forecast from October 2025	Around 145Yen/\$	Around 165Yen/€

9. Topics (Apr. 2025 – Sep. 2025)

- Apr. 2025** Shin-Etsu Chemical and Hokkaido University have developed lipid nanoparticle production system capable of both small-batch, high-mix production and mass production
- Apr. 2025** Shin-Etsu Chemical has announced decisions for the repurchase of 200 million shares (maximum) (10.2% of the total shares issued and outstanding, excluding treasury shares), 500 billion Japanese Yen (maximum)
- May 2025** Shin-Etsu Chemical has developed new silicone products for personal care use that will improve texture and functionality in cosmetics
- May 2025** Notice regarding the acquisition of own shares through the off-auction share repurchase trading system (ToSTNet-3) (Acquisition of own shares through fully committed share repurchase (Japanese ASR))

★ Please refer to news releases related to these matters on our website at <https://www.shinetsu.co.jp/en/news/>

10. Capital Investments (that have been announced)

★ : Completion ☆ : Completion Schedule

Company	Projects	Investment Amount	2023		2024		2025		2026		2027	
			1H	2H	1H	2H	1H	2H	1H	2H	1H	2H
Shintech (USA)	Facility investment in PVC (2nd phase)	\$1.25 billion				★						
Shin-Etsu Chemical (Isesaki)	Build a new manufacturing and research-and-development base for semiconductor lithography materials	¥83 billion								☆		
Shin-Etsu Chemical (Gunma)	Capital investment for the reduction in the volume of greenhouse gas emissions in the silicones business (gas turbine power generators, capacity increase of products that contribute to the environment)	¥20 billion	★									
Shin-Etsu Chemical (Gunma, Takefu, Naoetsu)	Reinforcement of the production capacity for silicone advanced functional products line	¥80 billion	*1					☆				
Shin-Etsu Chemical and main overseas bases (Gunma, Thailand, etc.)	Expansion the applications of our silicones products and work to enhance the advanced functionality of our product line-up and expand our environmentally friendly silicones	¥100 billion		*1								
Shin-Etsu Silicone (Pinghu) (China)	Construct a new silicone products plant	¥2.1 billion							☆			
Shin-Etsu Chemical (Naoetsu)	Capital Investment in pharmaceutical cellulose products	¥10 billion						☆				
Shin-Etsu Chemical (Naoetsu) SE Tylose (Germany)	Strengthening of pharmaceutical cellulose products and their warehouse storage capacity	¥10 billion						*2 ☆		*3 ☆		

*1 Starting up gradually

*2 Naoetsu

*3 Germany